

## Message Text

LIMITED OFFICIAL USE

PAGE 01 KINSHA 09892 161619Z

44

ACTION COME-00

INFO OCT-01 AF-10 ISO-00 INT-08 AID-20 CIAE-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 EUR-25 EA-11

DRC-01 /132 W

----- 014459

R 161450Z NOV 73

FM AMEMBASSY KINSHASA

TO AMCONSUL LUBUMBASHI

INFO SECSTATE WASHDC 5573

AMCONSUL KISANGANI

LIMITED OFFICIAL USE KINSHASA 9892

E.O. 11652: N/A

TAGS: BEMP, CG

SUBJECT: GECAMINES EXPANSION AND PURCHASING PLANS

REF: LUBUMBASHI 0393

1. EMBASSY COMMENDS CONSULATE FOR EXCELLENT  
REFERENCED TRADE OPPORTUNITY REPORT.

2. TO OBTAIN MAXIMUM MILEAGE FOR AMERICAN BUSINESS  
FROM GECAMINES EXPANSION PROGRAM, EMBASSY SUGGESTS  
FOLLOWING COURSES OF ACTION AND GUIDANCE:

A. WHEN GOZ APPROVES EXPANSION PLAN AND IT IS  
MADE AVAILABLE, SUGGEST PREPARATION DETAILED  
TELEGRAPHIC SUMMARY FOR WASHINGTON SOONEST WITH  
COPY TO EMBASSY. MESSAGE SHOULD ASCERTAIN AS PRECISELY AS POSSIBLE  
ALL SOURCES PROGRAM FINANCING AND INCLUDE, WHERE POSSIBLE,  
AREAS OF BUSINESS OPEN TO AMERICAN BIDDING. WHERE, FOR  
EXAMPLE, TIED PROCUREMENT ITEMS ARE INVOLVED, THROUGH  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KINSHA 09892 161619Z

EXTENSION SUPPLIERS CREDITS AND TIED LOANS BY FOREIGN

COMPETITION, THERE WOULD OBVIOUSLY BE NO OPPORTUNITY FOR US BUSINESS. THUS NEED TO SEPARATE CHAFF FROM WHEAT.

B. ENDEAVOR SECURE COPIES ALL TENDERS AND EXPEDITE TRANSMITTAL TO WASHINGTON WITH APPROPRIATE SUMMARIES WHERE NECESSARY.

C. IMPORTANT TO ASCERTAIN ITEMS GECAMINES DESIRES TO PURCHASE WITH EXIMBANK CREDITS. FYI EXIMBANK DOES NOT SPECIFY CATEGORIES OF GOODS BORROWER SHOULD PURCHASE SO LONG AS THEY ARE BOUGHT IN THE US. WOULD BE USEFUL IN THIS CONNECTION TO OBTAIN INFORMATION CONCERNING INTENDED USES SUCH EXIMBANK LOANS AND TO ENCOURAGE GECAMINES USE LOANS TO BUY GOODS IN WHICH US SUPPLIERS LEAST COMPETITIVE. COMMERCE'S BUREAU OF COMPETITIVE ASSESSMENT MAY BE ABLE TO PROVIDE GUIDANCE ON THIS POINT.

D. SINCE GECAMINES FINANCING POSSIBLY 50 PERCENT ITS EXPANSION PROGRAM, ACCORDING TO JUNE 1973 IMF REPORT, WOULD BE DESIRABLE TO NAIL DOWN EQUIPEMTN TURNKEY PROJECTS, ETC. TO BE PURCHASED WITH ITS OWN RESOURCES. THIS SHOULD POSSIBLY BE AREA FOR GREATEST US BUSINESS CONCERTRATION AND SALES POTENTIAL.

E. WOULD, FOR EXAMPLE, FUNDS FROM EUROPEAN INVESTMENT BANK PERMIT US FIRMS TO BID OR ARE BUSINESS OPPORTUNITIES FINANCED BY EIB RESERVED FOR EUROPEAN COMPANIES EXCLUSIVELY?

F. COMMENT: US COMPETITIVE POSITION HAS BEEN GREATLY STRENGTHENED BY TWO DEVALUATION US DOLLAR AND CURRENCY REALIGNMENTS OTHER COUNTRIES. AS AGAINST EUROPEAN AND JAPANESE SUPPLIERS, US GOODS AND EQUIPMENT CURRENTLY FROM 19 TO 47 PERCENT MORE COMPETITIVE THAN TWO YEARS AGO. THIS FACTOR SHOULD BE CONSTANTLY UNDERLINED IN CONVERSATIONS WITH GECAMINES; LATTER MUST BE MADE TO UNDERSTAND THAT IT CAN OBTAIN LARGER VOLUME QUALITY GOODS AND EFFICIENT AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 KINSHA 09892 161619Z

PRODUCTIVE EQUIPMENT FROM US AT BEST MARKET PRICE. THAT GECAMINES FAVORING PURCHASE FINNISH FLASH SMELTER SHOULD NOT DETER CONSULATE FROM INDICATING THAT PRICE, QUALITY, DELIVERY, ETC. SIMILAR US EQUIPMENT WORTH CONSIDERING BEFORE GECAMINES MAKES FINAL DECISION. CONTRARY TO GECAMINES BELIEFS, US IS IN STRONG COMPETITIVE STANCE AND US FIRMS CAN MAKE GOOD SHOWING PROVIDED THEY ARE ALERTED TO THE

DETAILS OF THE EXPANSION PROGRAM AND PROVIDED THEY  
ARE NOT EXCLUDED FROM BIDDING BECAUSE OF TIE-PROCUREMENT  
AND OTHER LOAN ARRANGEMENTS, ETC. US SEEKS NOT ONLY  
THAT PORTION OF BUSINESS IT WILL FIND THROUGH EXIMBANK  
BUT ESPECIALLY LARGER TRANCHE FINANCED BY GECAMINES  
AND OTHERS. THE BIGGER THE PIECE OF BUSINESS US  
INITIALLY OBTAINS, THE LARGER FOLLOW-ON ORDERS FOR  
SPARES AND SERVICING IN THE FUTURE COULD RESULT.

G. RE YOUR 0369 AND USDOC 15887: COMMERCE MAY BE  
ABLE ORGANIZE MINING EQUIPMENT TRADE MISSION TO VISIT  
LUBUMBASHI EARLIER THAN APRIL 1974 SCHEDULING IF  
SITUATION WARRANTED BY IMMEDIACY LARGE POTENTIAL SALES  
OPPORTUNITIES ASIDE FROM EQUIPMENT TO BE FINANCED  
BY EXIMBANK. DECLASSIFY UPON RECEIPT.  
VANCE

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973KINSHA09892  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** KINSHASA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731129/aaaaavin.tel  
**Line Count:** 131  
**Locator:** TEXT ON-LINE  
**Office:** ACTION COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** LUBUMBASHI 0393  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14-Jan-2002 by boyleja>; APPROVED <06 MAR 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GECAMINES EXPANSION AND PURCHASING PLANS  
**TAGS:** BEXP, CG, GECAMINES  
**To:** COM LUBUMBASHI  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005